

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 530 - HB 792

February 27, 2023

SUMMARY OF BILL: Creates the *First Lady's Children's Trust Fund Act* (trust). The trust is established to provide support to nonprofit organizations and agencies of local governments that assist in the care of children. Requires that the trust be funded in FY23-24 by an initial deposit, and to consist of donations, appropriations, or contributions from both public and private institutions. Authorizes trustees to adopt and implement investment policies for the Trust, and requires all income received and accrued from the investments to be expended solely for entities assisting in the care of children, and for reasonable expenses incurred through administering trust assets. Requires the trustees to prepare a financial report on the Trust at the close of each fiscal year, which, along with other financial records, will be audited by the Comptroller of the Treasury.

FISCAL IMPACT:

Increase State Revenue – Exceeds \$100,000,000/FY23-24/

First Lady's Children's Trust Fund

Increase State Expenditures – Exceeds \$100,000,000/FY23-24/General Fund

Other Fiscal Impact – Expenditures from the Trust are anticipated to be made over a multiple-year period.

Assumptions:

- Pursuant to the proposed legislation, the trustees of the Trust are the Treasurer, the Comptroller of the Treasury, the Secretary of State, and the Commissioner of Finance and Administration, or any of their designees.
- The trustees will not be compensated specifically for their involvement with the trust, as it falls in the course of their regular business.
- The State Treasurer will be responsible for the investment of funds in accordance with guidelines established by the trustees; however, any costs to the Department of the Treasury that are incurred as a result of this responsibility will be offset with the Trust's income.
- The Comptroller of the Treasury will be able to conduct audit work on the Trust within existing resources and personnel, without a significant increase in state expenditures.
- Any increase in revenue that results from donations and contributions from private institutions cannot be reasonably estimated.

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- The amount of the initial deposit into the Trust is unknown. However, it is assumed that an amount exceeding \$100,000,000 in FY23-24 will be appropriated from the General Fund for initial deposit to the Trust. Expenditures from the Trust to nonprofit organizations and agencies of local governments, including initial deposits, donations, and investment income, are anticipated to be made over a multiple-year period.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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